THE MINISTER OF STATE IN THE MINISTRY OF INDUSTRY (DEPARTMENT OF INDUSTRIAL DEVELOPMENT) (SHRIMATI KRISHNA SAHI): (a) and (b) Government liberally permits licensing of new units and substantial expansion of existing units manufacturing finished leather in any permissible location so that good quality of finished leather is available for the manufacture of leather footwear and leather goods for exports. However, for the manufacture of items reserved for exclusive manufacture in the small scale sector i.e. leather footwear and other leather goods licensing of new units and substantial expansion of existing units is allowed in the organised sector subject to export obligation of 75% effective from the third year of commencement of commercial production.

Transfer of export promotion of auto Tyres and Tubes to Chemicals and Allied Products Export Promotion Council

574. SHRI SURESH KALMADI : Will the PRIME MINISTER be pleased to state :

(a) whether it is a fact that Government have issued orders to transfer the work relating to export promotion of auto tyres and tubes and rubber products back to the Chemicals and Allied Products Export Promotion Council; and

(b) if so, the reasons therefor particularly when the Rubber Board was assigned these functions only in March, 1992 ?

THE DEPUTY MINISTER IN THE MINISTRY OF COMMERCE (SHRI SALMAN KHURSHEED) : (a) Yes, Sir.

(b) At the request of Rubber Board, it was earlier decided to transfer the work relating to export promotion of auto tyres, tubes and rubber products from the Chemicals and Allied Products Export Promotion Council (CAPEXIL) to the Board as it was felt that it would give an export orientation to the Rubber Board.

However, on representation from the industry against transfer of this work to the Rubber Board and their preference to continue association with CAPEXIL, the matter was re-examined. On reconsideration, it was felt that the Rubber Board is essentially an agency for promoting the production of rubber and for looking after the interests of rubber growers. Further, CAPEXIL has been looking after this work since long and has built up certain expertise in the export of these goods. It was, therefore, decided to transfer back the export promotion work to CAPEXIL.

Increase in Trade Deficit

575. SHRI KAMAL MORARKA : Will the PRIME MINISTER be pleased to state :

(a) whether it is a fact that trade deficit has increased by 150 per cent during April-August, 1992-93 against corresponding period in 1991-92;

(b) if so, what are the problem areas; and

(c) the steps being taken/proposed to be taken to augment exports ?

THE DEPUTY MINISTER IN THE MINISTRY OF COMMERCE (SHRI SALMAN KHURSHEED) : (a) Yes. India's trade deficit during April-August, 1992 amounted to US $ 2301 million as compared to US $ 919 million during April-August, 1991, thereby registering an increase of 150.3 per cent.

(b) The increase in the trade deficit during the period April-August, 1992 was largely due to increase in imports. During this period, imports increased by 22.2 per cent, as compared to the corresponding this period, imports increased by 22.2 be recalled that there was a severe import compression during the financial year 1991-92, due to critical balance of payments situation. The increase in imports this year is, to a great extent, to compensate for this.

(c) Several changes in trade policy were introduced since July, 1991 aimed at strengthening export incentives, eliminating a substantial volume of import licensing and rationalising the import tariff structure. Rupee has been made partially convertible to encourage generation

of foreign exchange. These have been further consolidated in the new Export-Import Policy which, *inter alia*, aims to promote productivity, modernisation and competitiveness of Indian industry and thereby to enhance its export capabilities. The policy also seeks to promote efficient and internationally competitive import substitution and self-reliance under a deregulated framework for foreign trade. A short-term Action Plan for ensuring the revival of the export momentum has been formulated. Besides, 34 commodities have been identified as 'extreme focus' sectors aimed at a value increase of 30% every year in exports.

Crisis in Tea Industry

576. SHRI DEBABRATA BISWAS : Will the PRIME MINISTER be pleased to state :

(a) whether it is a fact that the Tea Industry is passing through a crisis;

(b) whether the Consultative Committee of Planters Association recently met Finance and Commerce Ministers and apprised them of different facets of the crisis; and

(c) if so, the steps taken by Government to meet the situation ?

THE DEPUTY MINISTER IN THE MINISTRY OF COMMERCE (SHRI SALMAN KHURSHEED) : (a) The Tea industry is facing difficulties on account of reduced purchases by the CIS countries, which were a major buyer of Indian Tea during the previous years. There has also been a loss of production to the extent of 28.60 million kgs. during the period January to September, 1992 as compared to the corresponding period of the previous year.

(b) Yes, Sir.

(c) Government has been encouraging deversification of tea export by sponsoring industry delegation to various countries. Trade Protocols have also been entered into with some of the CIS countries including Russia. Other countries are being persuaded to buy higher quantities of Indian Tea indicating them the price competitiveness of our tea.

577. *[Transferred to 2nd December, 1992]*

Import of Newsprint and Wood Pulp by S. T. C.

578. SHRI KRISHNA KUMAR BIRLA: Will the PRIME MINISTER be pleased to state:

(a) whether the STC propose to import newsprint and wood pulp from the former Soviet republics against barter deal;

(b) if so, the quantum of newsprint and wood pulp to be imported;

(c) the estimated indigenous demand of newsprint and wood pulp in the country; and

(d) to what extent it would meet the demand of newspaper industry ?

THE DEPUTY MINISTER IN THE MINISTRY OF COMMERCE (SHRI SALMAN KHURSHEED) : (a) and (b) STC, at present has no proposal to import newsprint and wood pulp from the former Soviet republics against barter deal.

(c) and (d) As intimated by Deptt. of I. D., the demand for newsprint is being met both from indigenous production and imports. The requirement of newsprint in the country for the year 1992-93 is estimated at the level of 5.85 lakh tonnes against the targetted indigenous production of 3.44 lakh tonnes.

Since 1-4-92, the import of newsprint has been decanalised and in accordance with the existing guidelines on the subject, the newspapers having more than 200 metric tonnes of annual entitlement can import one tonne of standard newsprint for every two tonnes of indigenously produced newsprint purchased by them from the indigenous newsprint mills. Newspapers having annual entitlement below 200 MT can import the quantity as determined by the Registrar of Newspapers for India. Non-actual users can also import newsprint from Russia & the other Republics of former Soviet Union through an Escrow A/c in terms of the conditions prescribed in Ministry of Commerce P. No. 43 (PN)/92-97 dated 15-09-1992.